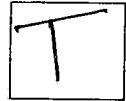


**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



WS-03449A  
MHC Operating Limited Partnership - *Water*  
The Sedona Venture Wastewater Treatment Plant  
c/o Manufactured Home Communities, Inc.  
2 N. Riverside Plaza, Ste 800  
Chicago, IL 60606

RECEIVED

APR 9 9 2008

ARIZONA CORP COMMISSION  
Director Utilities

**ANNUAL REPORT**

**FOR YEAR ENDING**

|    |    |      |
|----|----|------|
| 12 | 31 | 2007 |
|----|----|------|

FOR COMMISSION USE

|        |    |
|--------|----|
| ANN 04 | 07 |
|--------|----|

PROCESSED BY:

4-10-08

SCANNED

## COMPANY INFORMATION

|  |                             |                              |  |
|--|-----------------------------|------------------------------|--|
| MHC Operating Limited Partnership                                    |                             |                              |  |
| Company Name (Business Name) DBA: The Sedona Venture Water Company   |                             |                              |  |
| Mailing Address 2 N. Riverside Pl., Ste. 800                         |                             |                              |  |
| Chicago  | IL                          | 60606                        |  |
| (City)   | (State)                     | (Zip)                        |  |
| (312) 279-1400   | (312) 279-1710              | N/A                          |  |
| Telephone No. (Include Area Code)                                    | Fax No. (Include Area Code) | Cell No. (Include Area Code) |  |
| Email Address Courtney-prescott@mhc homes.com                        |                             |                              |  |
| Local Office Mailing Address Sedona Shadows 16770 W. US Highway 89-A |                             |                              |  |
| Sedona   | AZ                          | 86336                        |  |
| (City)   | (State)                     | (Zip)                        |  |
| (928) 282-1232   | (928) 282-0093              | N/A                          |  |
| Local Office Telephone No. (Include Area Code)                       | Fax No. (Include Area Code) | Cell No. (Include Area Code) |  |
| Email Address  |                             |                              |  |

## MANAGEMENT INFORMATION

|                                   |                             |                              |         |
|-----------------------------------|-----------------------------|------------------------------|---------|
| Management Contact: Ron Bunce     |                             |                              |         |
|                                   |                             | Regional Vice President      |         |
|                                   |                             | (Name)                       | (Title) |
| 7310 N. 16th St., Ste 300         |                             |                              |         |
| Phoenix                           | AZ                          | 85020                        |         |
| (City)                            | (State)                     | (Zip)                        |         |
| (602) 674-5690                    | (602) 674-5699              | N/A                          |         |
| Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Cell No. (Include Area Code) |         |
| Email Address N/A                 |                             |                              |         |
| On Site Manager: Darla Barrett    |                             |                              |         |
|                                   |                             | (Name)                       |         |
| 16770 W. US Highway 89-A          |                             |                              |         |
| Sedona                            | AZ                          | 86336                        |         |
| (City)                            | (State)                     | (Zip)                        |         |
| (928) 282-1232                    | (928) 282-0093              | N/A                          |         |
| Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Cell No. (Include Area Code) |         |
| Email Address N/A                 |                             |                              |         |

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: The Prentice Hall Corporation System

(Name)

3636 N Central Ave.

(Street)

Phoenix

(City)

AZ

(State)

85012

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Attorney: Kenneth Krut

(Name)

2 N. Riverside Pl., Ste. 800

(Street)

Chicago

(City)

IL

(State)

60666

(Zip)

(312) 279-1452

Telephone No. (Include Area Code)

(312) 279-1453

Fax No. (Include Area Code)

N/A

Cell No. (Include Area Code)

Email Address

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☒ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) \_\_\_\_\_

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☒ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME Sedona Venture Wastewater Treatment Plant

**UTILITY PLANT IN SERVICE**

| Acct.<br>No. | DESCRIPTION                               | Original<br>Cost (OC) | Accumulated<br>Depreciation<br>(AD) | O.C.L.D.<br>(OC less AD) |
|--------------|---|-----------------------|-------------------------------------|--------------------------|
| 301          | Organization                              |                       |                                     |                          |
| 302          | Franchises                                |                       |                                     |                          |
| 303          | Land and Land Rights                      |                       |                                     |                          |
| 304          | Structures and Improvements               | 30,772                |                                     |                          |
| 307          | Wells and Springs                         | 53,730                |                                     |                          |
| 311          | Pumping Equipment                         | 138,170               |                                     |                          |
| 320          | Water Treatment Equipment                 |                       |                                     |                          |
| 330          | Distribution Reservoirs and<br>Standpipes |                       |                                     |                          |
| 331          | Transmission and Distribution Mains       | 100,993               |                                     |                          |
| 333          | Services                                  |                       |                                     |                          |
| 334          | Meters and Meter Installations            | 66,044                |                                     |                          |
| 335          | Hydrants                                  |                       |                                     |                          |
| 336          | Backflow Prevention Devices               |                       |                                     |                          |
| 339          | Other Plant and Misc. Equipment           | 4,980                 |                                     |                          |
| 340          | Office Furniture and Equipment            |                       |                                     |                          |
| 341          | Transportation Equipment                  |                       |                                     |                          |
| 343          | Tools, Shop and Garage Equipment          |                       |                                     |                          |
| 344          | Laboratory Equipment                      |                       |                                     |                          |
| 345          | Power Operated Equipment                  |                       |                                     |                          |
| 346          | Communication Equipment                   |                       |                                     |                          |
| 347          | Miscellaneous Equipment                   | 3,472                 |                                     |                          |
| 348          | Other Tangible Plant                      |                       |                                     |                          |
|              | <b>TOTALS</b>                             | <b>458,161</b>        | <b>360,216</b>                      | <b>97,945</b>            |

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME Sedona Venture wastewater Treatment Plant

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

| Acct. No. | DESCRIPTION                            | Original Cost (1) | Depreciation Percentage (2) | Depreciation Expense (1x2) |
|-----------|--|-------------------|-----------------------------|----------------------------|
| 301       | Organization                           |                   | 5%                          | see                        |
| 302       | Franchises                             |                   |                             | attached                   |
| 303       | Land and Land Rights                   |                   |                             | schedule                   |
| 304       | Structures and Improvements            | 30,772            |                             |                            |
| 307       | Wells and Springs                      | 53,730            |                             |                            |
| 311       | Pumping Equipment                      | 138,170           |                             |                            |
| 320       | Water Treatment Equipment              |                   |                             |                            |
| 330       | Distribution Reservoirs and Standpipes |                   |                             |                            |
| 331       | Transmission and Distribution Mains    | 160,993           |                             |                            |
| 333       | Services                               |                   |                             |                            |
| 334       | Meters and Meter Installations         | 66,044            |                             |                            |
| 335       | Hydrants                               |                   |                             |                            |
| 336       | Backflow Prevention Devices            |                   |                             |                            |
| 339       | Other Plant and Misc. Equipment        | 4,980             |                             |                            |
| 340       | Office Furniture and Equipment         |                   |                             |                            |
| 341       | Transportation Equipment               |                   |                             |                            |
| 343       | Tools, Shop and Garage Equipment       |                   |                             |                            |
| 344       | Laboratory Equipment                   |                   |                             |                            |
| 345       | Power Operated Equipment               |                   |                             |                            |
| 346       | Communication Equipment                |                   |                             |                            |
| 347       | Miscellaneous Equipment                | 3,472             |                             |                            |
| 348       | Other Tangible Plant                   |                   |                             |                            |
|           | <b>TOTALS</b>                          | <b>458,161</b>    |                             | <b>22,908</b>              |

This amount goes on the Comparative Statement of Income and Expense \_\_\_\_\_  
Acct. No. 403.

COMPANY NAME Sedona Venture Wastewater Treatment Plant

**BALANCE SHEET**

| Acct No. | ASSETS                                      | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|----------|---|------------------------------|------------------------|
|          | <b>CURRENT AND ACCRUED ASSETS</b>           |                              |                        |
| 131      | Cash  | \$ 55,928                    | \$ 87,116              |
| 134      | Working Funds                               |                              |                        |
| 135      | Temporary Cash Investments                  |                              |                        |
| 141      | Customer Accounts Receivable                | 47                           | 473                    |
| 146      | Notes/Receivables from Associated Companies |                              |                        |
| 151      | Plant Material and Supplies                 |                              |                        |
| 162      | Prepayments                                 |                              |                        |
| 174      | Miscellaneous Current and Accrued Assets    | 4,939                        | 4,939                  |
|          | <b>TOTAL CURRENT AND ACCRUED ASSETS</b>     | \$ 60,914                    | \$ 92,528              |
|          | <b>FIXED ASSETS</b>                         |                              |                        |
| 101      | Utility Plant in Service                    | \$ 404,431                   | \$ 458,161             |
| 103      | Property Held for Future Use                |                              |                        |
| 105      | Construction Work in Progress               |                              |                        |
| 108      | Accumulated Depreciation – Utility Plant    | (337,308)                    | (310,216)              |
| 121      | Non-Utility Property                        |                              |                        |
| 122      | Accumulated Depreciation – Non Utility      |                              |                        |
|          | <b>TOTAL FIXED ASSETS</b>                   | \$ 67,123                    | \$ 97,945              |
|          | <b>TOTAL ASSETS</b>                         | \$ 128,037                   | \$ 190,473             |

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME Sedona Venture Wastewater Treatment Plant

**BALANCE SHEET (CONTINUED)**

| Acct.<br>No. |   | BALANCE AT<br>BEGINNING OF<br>YEAR | BALANCE AT<br>END OF<br>YEAR |
|--------------|---|------------------------------------|------------------------------|
|              | <b>LIABILITIES</b>                                |                                    |                              |
|              | <b>CURRENT LIABILITES</b>                         |                                    |                              |
| 231          | Accounts Payable                                  | \$                                 | \$                           |
| 232          | Notes Payable (Current Portion)                   |                                    |                              |
| 234          | Notes/Accounts Payable to Associated Companies    |                                    |                              |
| 235          | Customer Deposits                                 | 9,813                              | 9,813                        |
| 236          | Accrued Taxes                                     | 547                                | 345                          |
| 237          | Accrued Interest                                  |                                    |                              |
| 241          | Miscellaneous Current and Accrued Liabilities     | 14,641                             | 7,969                        |
|              | <b>TOTAL CURRENT LIABILITIES</b>                  | \$ 24,400                          | \$ 18,127                    |
|              | <b>LONG-TERM DEBT (Over 12 Months)</b>            |                                    |                              |
| 224          | Long-Term Notes and Bonds                         | \$                                 | \$                           |
|              | <b>DEFERRED CREDITS</b>                           |                                    |                              |
| 251          | Unamortized Premium on Debt                       | \$                                 | \$                           |
| 252          | Advances in Aid of Construction                   |                                    |                              |
| 255          | Accumulated Deferred Investment Tax Credits       |                                    |                              |
| 271          | Contributions in Aid of Construction              |                                    |                              |
| 272          | Less: Amortization of Contributions               |                                    |                              |
| 281          | Accumulated Deferred Income Tax                   |                                    |                              |
|              | <b>TOTAL DEFERRED CREDITS</b>                     | \$                                 | \$                           |
|              | <b>TOTAL LIABILITIES</b>                          | \$ 24,400                          | \$ 18,127                    |
|              | <b>CAPITAL ACCOUNTS</b>                           |                                    |                              |
| 201          | Common Stock Issued                               | \$                                 | \$                           |
| 211          | Paid in Capital in Excess of Par Value            |                                    |                              |
| 215          | Retained Earnings                                 |                                    |                              |
| 218          | Proprietary Capital (Sole Props and Partnerships) |                                    |                              |
|              | <b>TOTAL CAPITAL</b>                              | \$ 103,637                         | \$ 172,346                   |
|              | <b>TOTAL LIABILITIES AND CAPITAL</b>              | \$ 128,037                         | \$ 190,473                   |

COMPANY NAME Sedona Venture Wastewater Treatment Plant

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

| Acct. No. | OPERATING REVENUES                        | PRIOR YEAR | CURRENT YEAR |
|-----------|---|------------|--------------|
| 461       | Metered Water Revenue                     | \$ 92,092  | \$ 95,439    |
| 460       | Unmetered Water Revenue                   |            |              |
| 474       | Other Water Revenues                      |            |              |
|           | <b>TOTAL REVENUES</b>                     | \$ 92,092  | \$ 95,439    |
|           |   |            |              |
|           | <b>OPERATING EXPENSES</b>                 |            |              |
| 601       | Salaries and Wages                        | \$         | \$           |
| 610       | Purchased Water                           |            |              |
| 615       | Purchased Power                           | 30,242     | 9,405        |
| 618       | Chemicals                                 |            |              |
| 620       | Repairs and Maintenance                   | 7,782      | 1,885        |
| 621       | Office Supplies and Expense               |            | 62           |
| 630       | Outside Services                          | 643        | 2,876        |
| 635       | Water Testing                             | 30,317     | 21,455       |
| 641       | Rents                                     |            |              |
| 650       | Transportation Expenses                   |            |              |
| 657       | Insurance – General Liability             | 423        | 462          |
| 659       | Insurance - Health and Life               |            |              |
| 666       | Regulatory Commission Expense – Rate Case | 100        | 100          |
| 675       | Miscellaneous Expense                     | 25         |              |
| 403       | Depreciation Expense                      | 20,222     | 20,222       |
| 408       | Taxes Other Than Income                   |            |              |
| 408.11    | Property Taxes                            | 4,105      | 3,612        |
| 409       | Income Tax                                |            |              |
|           | <b>TOTAL OPERATING EXPENSES</b>           | \$ 93,879  | \$ 60,279    |
|           |   |            |              |
|           | <b>OPERATING INCOME/(LOSS)</b>            | \$         | \$           |
|           |   |            |              |
|           | <b>OTHER INCOME/(EXPENSE)</b>             |            |              |
| 419       | Interest and Dividend Income              | \$         | \$           |
| 421       | Non-Utility Income                        |            |              |
| 426       | Miscellaneous Non-Utility Expenses        |            |              |
| 427       | Interest Expense                          |            |              |
|           | <b>TOTAL OTHER INCOME/(EXPENSE)</b>       | \$         | \$           |
|           |   |            |              |
|           | <b>NET INCOME/(LOSS)</b>                  | \$ <1,787> | \$ 35,160    |



COMPANY NAME Sedona Venture Wastewater Treatment Plant

**SUPPLEMENTAL FINANCIAL DATA**

**Long-Term Debt**

N/A

|                        | LOAN #1 | LOAN #2 | LOAN #3 | LOAN #4 |
|------------------------|---------|---------|---------|---------|
| Date Issued            |         |         |         |         |
| Source of Loan         |         |         |         |         |
| ACC Decision No.       |         |         |         |         |
| Reason for Loan        |         |         |         |         |
| Dollar Amount Issued   | \$      | \$      | \$      | \$      |
| Amount Outstanding     | \$      | \$      | \$      | \$      |
| Date of Maturity       |         |         |         |         |
| Interest Rate          | %       | %       | %       | %       |
| Current Year Interest  | \$      | \$      | \$      | \$      |
| Current Year Principle | \$      | \$      | \$      | \$      |

Meter Deposit Balance at Test Year End \$ \_\_\_\_\_

Meter Deposits Refunded During the Test Year \$ \_\_\_\_\_

|                        |  |
|------------------------|--|
| <b>COMPANY NAME</b>    | Sedona Venture Wastewater Treatment Plant      |
| <b>Name of System:</b> | <b>ADEQ Public Water System Number:</b> 13-108 |

## WATER COMPANY PLANT DESCRIPTION

### WELLS

| ADWR ID Number* | Pump Horsepower | Pump Yield (gpm) | Casing Depth (Feet) | Casing Diameter (Inches) | Meter Size (inches) | Year Drilled |
|-----------------|-----------------|------------------|---------------------|--------------------------|---------------------|--------------|
| 55-605140       | 20              | 99               | 25'                 | 8"                       | 4"                  | 1972         |
| 55-207817       | 20              | 150 (Approx.)    | 80'                 | 8"                       | 4"                  | 2006         |
| Undeveloped     | N/A             | N/A              | 18'                 | 8"                       | N/A                 | 1972         |
|                 |                 |                  |                     |                          |                     |              |
|                 |                 |                  |                     |                          |                     |              |
|                 |                 |                  |                     |                          |                     |              |

\* Arizona Department of Water Resources Identification Number

### OTHER WATER SOURCES

| Name or Description | Capacity (gpm) | Gallons Purchased or Obtained (in thousands) |
|---------------------|----------------|--|
| N/A                 |                |  |
|                     |                |  |

| BOOSTER PUMPS |          | FIRE HYDRANTS     |                |
|---------------|----------|-------------------|----------------|
| Horsepower    | Quantity | Quantity Standard | Quantity Other |
| 7.5           | 3        | 19                |                |
|               |          |                   |                |
|               |          |                   |                |
|               |          |                   |                |

| STORAGE TANKS   |          | PRESSURE TANKS |          |
|-----------------|----------|----------------|----------|
| Capacity        | Quantity | Capacity       | Quantity |
| 100,000 Gallons | 1        | 5,000 GAL      | 1        |
|                 |          |                |          |
|                 |          |                |          |

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

|  |  |
|--|--|
| COMPANY NAME <u>Sealing Venture Wastewater Treatment Plant</u> |  |
| Name of System:  | ADEQ Public Water System Number: <u>13-108</u> |

### WATER COMPANY PLANT DESCRIPTION (CONTINUED)

#### MAINS

| Size (in inches) | Material    | Length (in feet) |
|------------------|-------------|------------------|
| 2                |             |                  |
| 3                |             |                  |
| 4                | <u>CECC</u> | <u>3,200</u>     |
| 5                |             |                  |
| 6                | <u>CECC</u> | <u>15,000</u>    |
| 8                |             |                  |
| 10               |             |                  |
| 12               |             |                  |
|                  |             |                  |
|                  |             |                  |
|                  |             |                  |
|                  |             |                  |
|                  |             |                  |
|                  |             |                  |

#### CUSTOMER METERS

| Size (in inches) | Quantity |
|------------------|----------|
| <u>5/8 X 3/4</u> |          |
| <u>3/4</u>       |          |
| <u>1</u>         |          |
| <u>1 1/2</u>     |          |
| <u>2</u>         | <u>1</u> |
| <u>Comp. 3</u>   |          |
| <u>Turbo 3</u>   |          |
| <u>Comp. 4</u>   |          |
| <u>Tubo 4</u>    |          |
| <u>Comp. 6</u>   | <u>1</u> |
| <u>Tubo 6</u>    |          |
|                  |          |
|                  |          |
|                  |          |

For the following three items, list the utility owned assets in each category for each system.

#### TREATMENT EQUIPMENT:

Chlorinated (disinfection) via liquid bleach pumped by a  
chemical metering pump.

#### STRUCTURES:

#### OTHER:

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

|  |  |
|--|--|
| COMPANY NAME: <u>Sedona Venture Wastewater Treatment Plant</u> |  |
| Name of System:  | ADEQ Public Water System Number: <u>13-108</u> |

### WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2007

| MONTH/YEAR     | NUMBER OF CUSTOMERS | GALLONS SOLD<br>(Thousands) | GALLONS PUMPED<br>(Thousands) | GALLONS PURCHASED<br>(Thousands) |
|----------------|---------------------|-----------------------------|-------------------------------|----------------------------------|
| JANUARY 2007   | 272                 |                             | 26,789                        |                                  |
| FEBRUARY 2007  | 272                 |                             | 20,400                        |                                  |
| MARCH 2007     | 272                 |                             | 29,810                        |                                  |
| APRIL 2007     | 272                 |                             | 29,180                        |                                  |
| MAY 2007       | 272                 |                             | 34,420                        |                                  |
| JUNE 2007      | 272                 |                             | 43,340                        |                                  |
| JULY 2007      | 272                 |                             | 37,960                        |                                  |
| AUGUST 2007    | 272                 |                             | 33,940                        |                                  |
| SEPTEMBER 2007 | 272                 |                             | 32,030                        |                                  |
| OCTOBER 2007   | 272                 |                             | 30,750                        |                                  |
| NOVEMBER 2007  | 272                 |                             | 26,500                        |                                  |
| DECEMBER 2007  | 272                 |                             | 20,710                        |                                  |
| TOTALS →       |                     |                             | 365,329                       |                                  |

What is the level of arsenic for each well on your system? 0.010-0.01 mg/l

(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? \_\_\_\_ GPM for \_\_\_\_ hrs unknown

If system has chlorination treatment, does this treatment system chlorinate continuously?

☒ Yes                      ☐ No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☐ Yes                      ☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes                      ☒ No

If yes, provide the GPCPD amount: \_\_\_\_\_

***Note: If you are filing for more than one system, please provide separate data sheets for each system.***

COMPANY NAME Sedona Venture wastewater YEAR ENDING 12/31/2007  
Treatment Plant

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2007 was: \$ 3,612.07

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. N/A

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**VERIFICATION  
AND  
SWORN STATEMENT**  
Taxes

RECEIVED

APR 13 2008

ARIZONA CORP. COMM.  
Director Utilities

**VERIFICATION**

STATE OF \_\_\_\_\_  
I, THE UNDERSIGNED  
OF THE

|                                |
|--------------------------------|
| COUNTY OF (COUNTY NAME)        |
| NAME (OWNER OR OFFICIAL) TITLE |
| COMPANY NAME                   |

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

|       |     |      |
|-------|-----|------|
| MONTH | DAY | YEAR |
| 12    | 31  | 2007 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

*Ronald E. Becker* AUTHORIZED REPRESENTATIVE  
SIGNATURE OF OWNER OR OFFICIAL  
602-674-5690  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

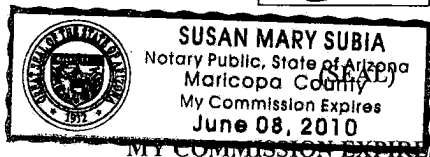
THIS

8th

DAY OF

|             |                 |             |
|-------------|-----------------|-------------|
| COUNTY NAME | <u>Maricopa</u> |             |
| MONTH       | <u>April</u>    | <u>2008</u> |

*Susan Mary Subia*  
SIGNATURE OF NOTARY PUBLIC



MY COMMISSION EXPIRES June 8, 2010

COMPANY NAME Sedona Venture Wastewater YEAR ENDING 12/31/2007  
Treatment Plant  
INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported N/A  
Estimated or Actual Federal Tax Liability N/A

State Taxable Income Reported N/A  
Estimated or Actual State Tax Liability N/A

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances N/A  
Amount of Gross-Up Tax Collected N/A  
Total Grossed-Up Contributions/Advances N/A

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

#### CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
PRINTED NAME

\_\_\_\_\_  
TITLE

**VERIFICATION  
AND  
SWORN STATEMENT**  
Intrastate Revenues Only

RECEIVED

APR 12 2008

VERIFICATION

STATE OF \_\_\_\_\_

I, THE UNDERSIGNED

OF THE

|                                |
|--------------------------------|
| COUNTY OF (COUNTY NAME)        |
| NAME (OWNER OR OFFICIAL) TITLE |
| COMPANY NAME                   |

ARIZONA CORP. COMM.  
Director Utilities

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

|       |     |      |
|-------|-----|------|
| MONTH | DAY | YEAR |
| 12    | 31  | 2007 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2007 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 95,439

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ \_\_\_\_\_  
IN SALES TAXES BILLED, OR COLLECTED)

**\*\*REVENUE REPORTED ON THIS PAGE MUST  
INCLUDE SALES TAXES BILLED OR  
COLLECTED. IF FOR ANY OTHER REASON,  
THE REVENUE REPORTED ABOVE DOES NOT  
AGREE WITH TOTAL OPERATING REVENUES  
ELSEWHERE REPORTED, ATTACH THOSE  
STATEMENTS THAT RECONCILE THE  
DIFFERENCE. (EXPLAIN IN DETAIL)**

*[Signature]* AUTHORIZED REPRESENTATIVE  
SIGNATURE OF OWNER OR OFFICIAL  
602-674-5690  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

Eighth

DAY OF

|             |                 |             |
|-------------|-----------------|-------------|
| COUNTY NAME | <u>Maricopa</u> |             |
| MONTH       | <u>April</u>    | <u>2008</u> |

*Susan Mary Subia*  
SIGNATURE OF NOTARY PUBLIC



SUSAN MARY SUBIA  
Notary Public, State of Arizona  
Maricopa County  
My Commission Expires  
June 08, 2010

MY COMMISSION EXPIRES

June 8, 2010



**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE**  
Intrastate Revenues Only

RECEIVED

APR 03 2008

ARIZONA CORP COMM  
Director Utilities

**VERIFICATION**

**STATE OF ARIZONA**

**I, THE UNDERSIGNED**

**OF THE**

|                          |       |
|--------------------------|-------|
| COUNTY OF (COUNTY NAME)  |       |
| NAME (OWNER OR OFFICIAL) | TITLE |
| COMPANY NAME             |       |

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

|       |     |      |
|-------|-----|------|
| MONTH | DAY | YEAR |
| 12    | 31  | 2007 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2007 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 95,439

THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ \_\_\_\_\_  
IN SALES TAXES BILLED, OR COLLECTED)

**\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.**

*[Signature]* AUTHORIZED REPRESENTATIVE  
SIGNATURE OF OWNER OR OFFICIAL  
602-674-5690  
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS**

Eighth

**DAY OF**

**(SEAL)**



**MY COMMISSION EXPIRES**

June 8, 2010

|   |                     |
|---|---------------------|
| NOTARY PUBLIC NAME<br><u>Susan Mary Subia</u> |                     |
| COUNTY NAME<br><u>Maricopa</u>                |                     |
| MONTH<br><u>April</u>                         | YEAR<br><u>2008</u> |

X *[Signature]*  
SIGNATURE OF NOTARY PUBLIC

**Rate Base Changes**

In an attempt to update the filings of the Sedona Venture to match the most recent decision by the Arizona Corporation Commission, MHC is adopting the adjustments and carrying forward the report design congruent with information provided by Mobile Parks West. In any instance that information was not available or incomplete due to the sale of the utility, appropriate ratios have been applied consistent with previous filings and decisions.

According to Decision #59587 on March 26, 1996, the Arizona Corporation Commission has agreed with the following adjustments which were recommended by the December 1995 staff report.

(Note: Decision #59587 was reported for FY ending 5/31/95)

**Water**

|            |   |            |            |
|------------|---|------------|------------|
| 5/31/1995  | Plant in Service                            | 257,627.00 |            |
|            | Depreciation at 5% (5/12)                   | 5,371.40   |            |
|            | Total Accumulated Depreciation              |            | 128,475.00 |
|            | Plant Additions                             |            |            |
|            | 11/21/1995 MPW - Well Pump                  | 7,977.00   |            |
|            | 12/21/1995 MPW - Phase Converter            | 7,688.00   |            |
| 12/31/1995 | Plant in Service                            | 273,492.00 |            |
|            | Depreciation at 5% (7/12)                   | 7,976.85   |            |
|            | Total Accumulated Depreciation              |            | 136,451.85 |
| 12/31/1996 | Plant Additions                             |            |            |
|            | 3/21/1996 MPW - Alarm Monitoring System     | 2,077.00   |            |
|            | 8/14/1996 MPW - Water Line at Bridge        | 7,000.00   |            |
|            | Plant in Service                            | 282,569.00 |            |
|            | Depreciation at 5%                          | 14,128.45  |            |
|            | Total Accumulated Depreciation              |            | 150,580.30 |
| 12/31/1997 | Plant Additions                             |            |            |
|            | 6/1/1997 MPW - Water Meters                 | 43,816.00  |            |
|            | Plant in Service                            | 326,385.00 |            |
|            | Depreciation at 5%                          | 16,319.25  |            |
|            | Total Accumulated Depreciation              |            | 168,899.55 |
| 12/31/1998 | Plant Additions                             |            |            |
|            | 12/5/1998 Well Valve 772010                 | 1,447.46   |            |
|            | Plant in Service                            | 326,385.00 |            |
|            | Depreciation at 5%                          | 16,319.25  |            |
|            | Plant additions - 1998                      | 1,447.46   |            |
|            | Depreciation at 2.5% - half-year convention | 36.19      |            |
|            | Total 1998 Depreciation                     | 16,355.44  |            |
|            | Total Accumulated Depreciation              |            | 183,254.99 |
| 12/31/1999 | Plant Additions                             |            |            |
|            | 334 12/25/1999 Flow meter                   | 802.36     |            |
|            | Plant in Service                            | 327,832.46 |            |
|            | Depreciation at 5%                          | 16,391.62  |            |
|            | Plant additions - 1999                      | 802.36     |            |
|            | Depreciation at 2.5% - half-year convention | 20.06      |            |
|            | Total 1999 Depreciation                     | 16,411.68  |            |
|            | Total Accumulated Depreciation              |            | 199,666.67 |
| 310        | Plant Additions                             |            |            |
|            | 8/30/2000 new generator at well             | 35,179.93  |            |
| 334        | 10/25/2000 meters & accessories             | 319.63     |            |

|                 |   |                  |            |
|-----------------|---|------------------|------------|
| 12/31/2000      | Plant in Service                            | 328,634.82       |            |
|                 | Depreciation at 5%                          | 16,431.74        |            |
|                 | Plant additions - 2000                      | 35,499.56        |            |
|                 | Depreciation at 2.5% - half year convention | 887.49           |            |
|                 | Total 2000 depreciation                     | <u>17,319.23</u> |            |
|                 | Total Accumulated Depreciation              |                  | 216,985.90 |
| Plant Additions |   |                  |            |
| 304             | 8/21/2001 structures & improvements         | 30,772.00        |            |
| 311             | 5/14/2001 pump equipment                    | 1,616.24         |            |
| 334             | 6/20/2001 meters & accessories              | 3,679.21         |            |
| 339             | 7/25/2001 other plant & misc. equipment     | 4,229.64         |            |
| 12/31/2001      | Plant in Service                            | 364,134.38       |            |
|                 | Depreciation at 5%                          | 18,206.72        |            |
|                 | Plant additions - 2001                      | 40,297.09        |            |
|                 | Depreciation at 2.5% - half year convention | 1,007.43         |            |
|                 | Total 2001 depreciation                     | <u>19,214.15</u> |            |
|                 | Total Accumulated Depreciation              |                  | 236,200.04 |
| Plant Additions |   |                  |            |
| 12/31/2002      | Plant in Service                            | 404,431.47       |            |
|                 | Depreciation at 5%                          | 20,221.57        |            |
|                 | Plant additions - 2002                      | -                |            |
|                 | Depreciation at 2.5% - half year convention | -                |            |
|                 | Total 2002 depreciation                     | <u>20,221.57</u> |            |
|                 | Total Accumulated Depreciation              |                  | 256,421.62 |
| Plant Additions |   |                  |            |
| 12/31/2003      | Plant in Service                            | 404,431.47       |            |
|                 | Depreciation at 5%                          | 20,221.57        |            |
|                 | Plant additions - 2003                      | -                |            |
|                 | Depreciation at 2.5% - half year convention | -                |            |
|                 | Total 2003 depreciation                     | <u>20,221.57</u> |            |
|                 | Total Accumulated Depreciation              |                  | 276,643.19 |
| Plant Additions |   |                  |            |
| 12/31/2004      | Plant in Service                            | 404,431.47       |            |
|                 | Depreciation at 5%                          | 20,221.57        |            |
|                 | Plant additions - 2004                      | -                |            |
|                 | Depreciation at 2.5% - half year convention | -                |            |
|                 | Total 2004 depreciation                     | <u>20,221.57</u> |            |
|                 | Total Accumulated Depreciation              |                  | 296,864.77 |
| Plant Additions |   |                  |            |
| 12/31/2005      | Plant in Service                            | 404,431.47       |            |
|                 | Depreciation at 5%                          | 20,221.57        |            |
|                 | Plant additions - 2005                      | -                |            |
|                 | Depreciation at 2.5% - half year convention | -                |            |
|                 | Total 2005 depreciation                     | <u>20,221.57</u> |            |
|                 | Total Accumulated Depreciation              |                  | 317,086.34 |

|                                |   |                  |            |
|--------------------------------|---|------------------|------------|
| Plant Additions                |   |                  |            |
| 12/31/2006                     | Plant in Service                            | 404,431.47       |            |
|                                | Depreciation at 5%                          | 20,221.57        |            |
|                                | Plant additions - 2006                      |                  |            |
|                                | Depreciation at 2.5% - half year convention | -                |            |
|                                | Total 2006 depreciation                     | <u>20,221.57</u> |            |
| Total Accumulated Depreciation |   |                  | 397,307.91 |
| Plant Additions                |   |                  |            |
| 307                            | 3/8/2006 Addition of new well               | 53,729.82        |            |
| 12/31/2007                     | Plant in Service                            | 458,161.29       |            |
|                                | Depreciation at 5%                          | 22,908.06        |            |
|                                | Plant additions - 2007                      |                  |            |
|                                | Depreciation at 2.5% - half year convention | -                |            |
|                                | Total 2007 depreciation                     | <u>22,908.06</u> |            |
| Total Accumulated Depreciation |   |                  | 360,215.98 |

MANUFACTURED HOME COMMUNITIES INC.  
DBA SEDONA VENTURE WATER & SEWER CO.

1843

Date 10/11/07

11-35/1210 CA

Pay to the order of Yavapai County Treasurer

\$ 1,679.29

One thousand six hundred + seventy-nine dollars and 29/100 Dollars

Bank of America

San Francisco, California

For Porul 948-20-970 6

Joseph Cucco

⑈001843⑈ ⑆121000358⑆ 12333⑈ 10619⑈

2007 FIRST HALF PAYMENT COUPON

Due October 1, 2007

MHC OPERATING LTD, DBA SEDONA VENTURE(WA

348-20-970 6 Roll Number: 0156031

Penalty for late payment is 16% per year prorated monthly as of the 1st day of the month for payments postmarked after 5:00 P.M. November 1, 2007 (ARS 42-18052 and ARS 42-18053).

Any total property tax notice of \$100 or less must be paid in full using the first payment coupon, by 5:00 P.M.

Pay taxes for the full year, and the full year coupon will be returned postmarked no later than 5:00 P.M. Delinquent interest will be waived.

DETACH AND RETURN WITH PAYMENT

Make check payable to:  
Ross D. Jacobs  
Yavapai County Treasurer  
1015 Fair Street  
Prescott AZ 86305-1807

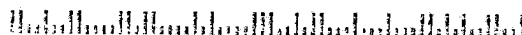
Payment in U.S. FUNDS ONLY

|                      |       |          |
|----------------------|-------|----------|
| TO PAY 1ST HALF ONLY | PAY ▶ | 1,679.29 |
| TO PAY FULL YEAR TAX | PAY ▶ | 3,358.58 |

If your mortgage company makes your property tax payments consider this notice as a courtesy copy for your records only.



\*9482097006\*



Ross D. Jacobs  
Yavapai County Treasurer  
1015 Fair Street  
Prescott AZ 86305-1807

2007 9482097006 1 00000033585800000167929

Mailed 10/12/07

Payment in U.S. FUNDS ONLY

Ross D. Jacobs  
Make check payable to:

DETACH AND RETURN WITH PAYMENT

2007 SECOND HALF PAYMENT COUPON

| 2007 PROPERTY TAX NOTICE           |         |   |   |                     |                            |          |                             |  |          | Yavapai County |            | ARIZONA |  |
|------------------------------------|---------|---|---|---------------------|----------------------------|----------|-----------------------------|--|----------|----------------|------------|---------|--|
| PARCEL #                           | AREA    | PRIMARY TAX RATE PER \$100 ASSESSED VALUE | SECONDARY TAX RATE PER \$100 ASSESSED VALUE | IRRIGATION DISTRICT | 2007 TAX SUMMARY           |          |                             |  |          |                |            |         |  |
| 948-20-970 6                       | 0970    | 4.5682                                    | 2.8418                                      |                     |                            |          |                             |  |          |                |            |         |  |
| <b>ASSESSMENT</b>                  |         |   |   |                     |                            |          |                             |  |          |                |            |         |  |
| UNITED LAND & FLOOD ETC            | 14,685  | 24.0                                      | 3,524                                       | 0                   | 4.5682                     | 150.88   | PRIMARY PROPERTY TAX        |  | 2,116.00 |                |            |         |  |
| UNITED PERSONAL PROPERTY           | 178,315 | 24.0                                      | 42,796                                      | 0                   | 4.5682                     | 1,865.01 | LESS STATE AID TO EDUCATION |  | 0.00     |                |            |         |  |
| UNITED TOTALS                      | 193,000 |   | 46,320                                      | 0                   |                            |          | NET PRIMARY PROPERTY TAX    |  | 2,116.00 |                |            |         |  |
| FULL CASH LAND                     | 0       | 24.0                                      | 0   | 0                   | 2.8418                     | 0.00     | SECONDARY PROPERTY TAX      |  | 1,242.58 |                |            |         |  |
| FULL CASH BUILDING ETC             | 14,685  | 24.0                                      | 3,524                                       | 0                   | 2.8418                     | 100.14   | SPECIAL DISTRICT TAX        |  | 0.00     |                |            |         |  |
| FULL CASH PERSONAL PROPERTY        | 178,315 | 24.0                                      | 42,796                                      | 0                   | 2.6695                     | 1,142.44 | TOTAL TAX DUE FOR 2007      |  | 3,358.58 |                |            |         |  |
| FULL CASH TOTALS                   | 193,000 |   | 46,320                                      | 0                   |                            |          |                             |  |          |                |            |         |  |
| ACREAGE: .00                       |         |   |   |                     | JURISDICTION               |          |                             |  |          | 2006 TAXES     | 2007 TAXES |         |  |
| 0156081                            |         |   |   |                     | 02000 YAVAPAI COUNTY       |          |                             |  |          | 790.79         | 708.33     |         |  |
| SITUS ADDRESS:                     |         |   |   |                     | 07009 SEDONA OAK CREEK SD  |          |                             |  |          | 1,241.45       | 943.68     |         |  |
| NULL                               |         |   |   |                     | 07993 SEDONA-OAK CRK #9 MI |          |                             |  |          | 82.89          | 76.06      |         |  |
| LEGAL DESCRIPTION:                 |         |   |   |                     | 08150 COMMUNITY COLLEGE    |          |                             |  |          | 791.78         | 705.22     |         |  |
| TOTAL VALUE OF OPERATING PROPERTY: |         |   |   |                     | 11208 SEDONA FD            |          |                             |  |          | 836.06         | 810.60     |         |  |
|                                    |         |   |   |                     | 11900 FIRE DISTRICT ASSIST |          |                             |  |          | 42.76          | 38.40      |         |  |
|                                    |         |   |   |                     | 14900 YAVAPAI COUNTY LIBRA |          |                             |  |          | 48.73          | 47.06      |         |  |
|                                    |         |   |   |                     | 15001 YAVAPAI FLOOD CONTR  |          |                             |  |          | 7.21           | 6.07       |         |  |
|                                    |         |   |   |                     | 30000 VALLEY ACADEMY EDUCA |          |                             |  |          | 23.89          | 23.16      |         |  |
|                                    |         |   |   |                     | <b>TOTALS</b>              |          |                             |  |          | 3,865.56       | 3,358.58   |         |  |

This is the only notice you will receive.

Ross D. Jacobs  
Yavapai County Treasurer  
1015 Fair Street  
Prescott AZ 86305-1807

**THIS IS A  
CALENDAR YEAR  
TAX NOTICE**

948-20-970 6  
0070946 01 MB 0.360 \*\*AUTO T9 0 0796 60606-208200  
MHC OPERATING LTD, DBA SEDONA VENTURE(WA)  
HAZEL S SALES  
2 N RIVERSIDE PLAZA #800  
CHICAGO IL 60606-2682

PAGE 01 OF 01

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

PLEASE INCLUDE YOUR PARCEL NUMBER ON YOUR CHECK.

DETACH AND RETURN WITH PAYMENT

Make check payable to:  
Ross D. Jacobs  
Yavapai County Treasurer  
1015 Fair Street  
Prescott AZ 86305-1807

Payment in U.S. FUNDS ONLY

**2007 FIRST HALF PAYMENT COUPON**  
Due October 1, 2007  
MHC OPERATING LTD, DBA SEDONA VENTURE(WA)  
948-20-970 6 Roll Number: 0156081

**Delinquency Date First Half Payment**  
Penalty for late payment is 16% per year prorated monthly as of the 1st day of the month for payments postmarked after 5:00 P.M. November 1, 2007 (ARS 42-18052 and ARS 42-18053).

Any total property tax notice of \$100 or less must be paid in full using the first payment coupon, no later than November 1, 2007 at 5:00 P.M.

To pay taxes for the full year, send the 1st half coupon with your payment postmarked no later than Dec. 31, 2007. Delinquent interest will be waived.

If your mortgage company makes your property tax payments consider this notice as a courtesy copy for your records only.

TO PAY 1ST HALF ONLY PAY 1,679.29  
TO PAY FULL YEAR TAX PAY 3,358.58

Ross D. Jacobs  
Yavapai County Treasurer  
1015 Fair Street  
Prescott AZ 86305-1807

\*9482097006\*

2007 9482097006 1 00000033585800000167929